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Administrative Overview

Fiscal Year 2016 Budget

March 10, 2015

The FY 2016 Budget was prepared with the following guiding principles:

- Policy of fiscal prudence**
- Continue to focus on core services**
- Continue to evolve the practice of budget preparation**

Budget Highlights

- No New Taxes or Fees
- No Increases in Tax Rates or Fees
- Real Property Taxes up \$74M (8%)

Budget Highlights

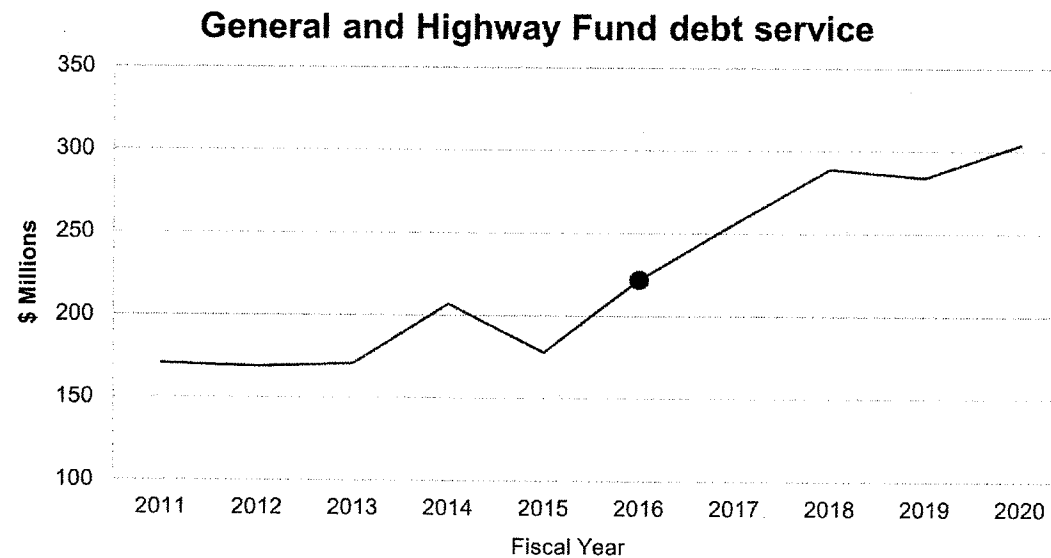
- Additional Resources will not be used to grow Government
- Funds will be used to
 - Pay for increases in collective bargaining and rising non-discretionary costs
 - Improve City Finances

Challenge

- \$1.7 Billion Unfunded Liability for Retiree Health Care (as of July 1, 2013)
 - Act 268 requires mandatory contributions
 - 40 percent of Annual Required Contribution (ARC)
 - Proposed Budget includes \$51.5 Million to Prefund OPEB

Challenge

- Spiking Debt Service

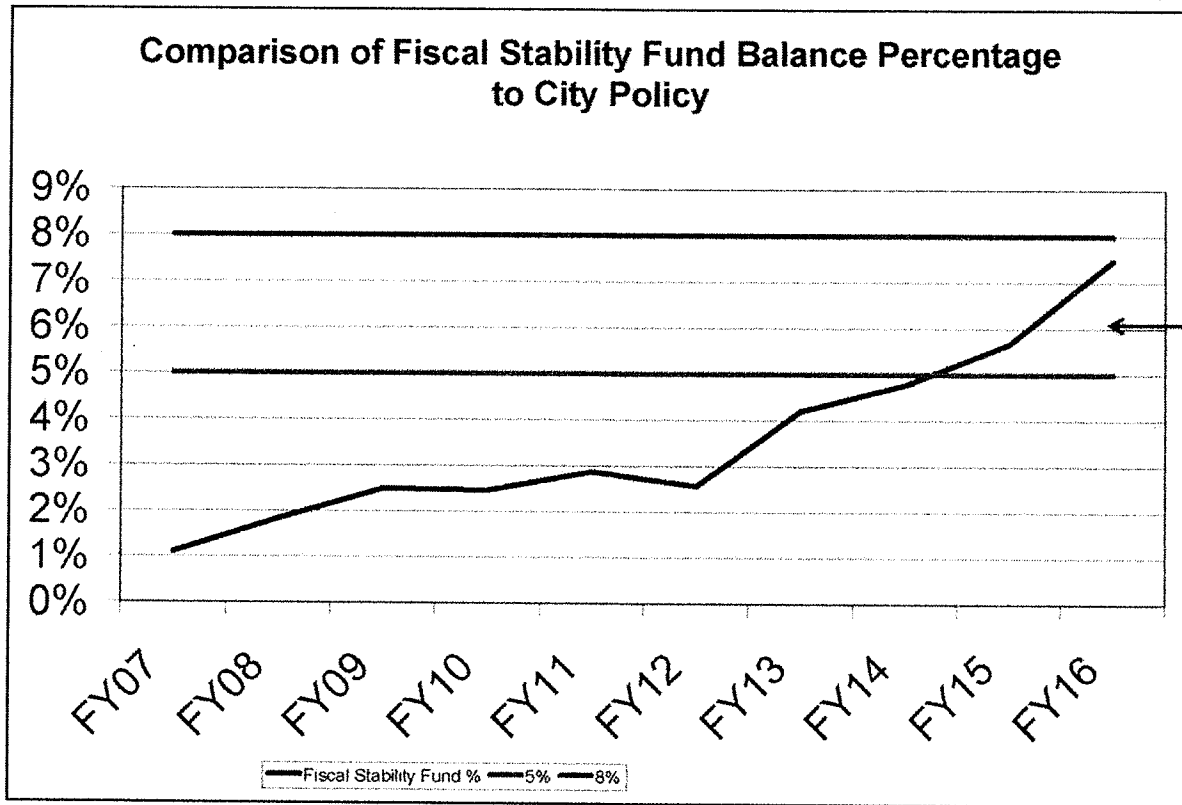


- Reduce the Size of the Capital Budget
- Fund Equipment with Cash
- Stop Deferring Bond Principal Payments

Fiscal Stability Reserve

- Be Prepared for Emergencies and Economic Downturns
- Protect the City's AA+/Aa1 Bond Rating

Achieve fiscal stability balances of 8%



FY 2016:
\$30 Million
transfer
into fund

MAYOR'S PRIORITIES IN FY2016

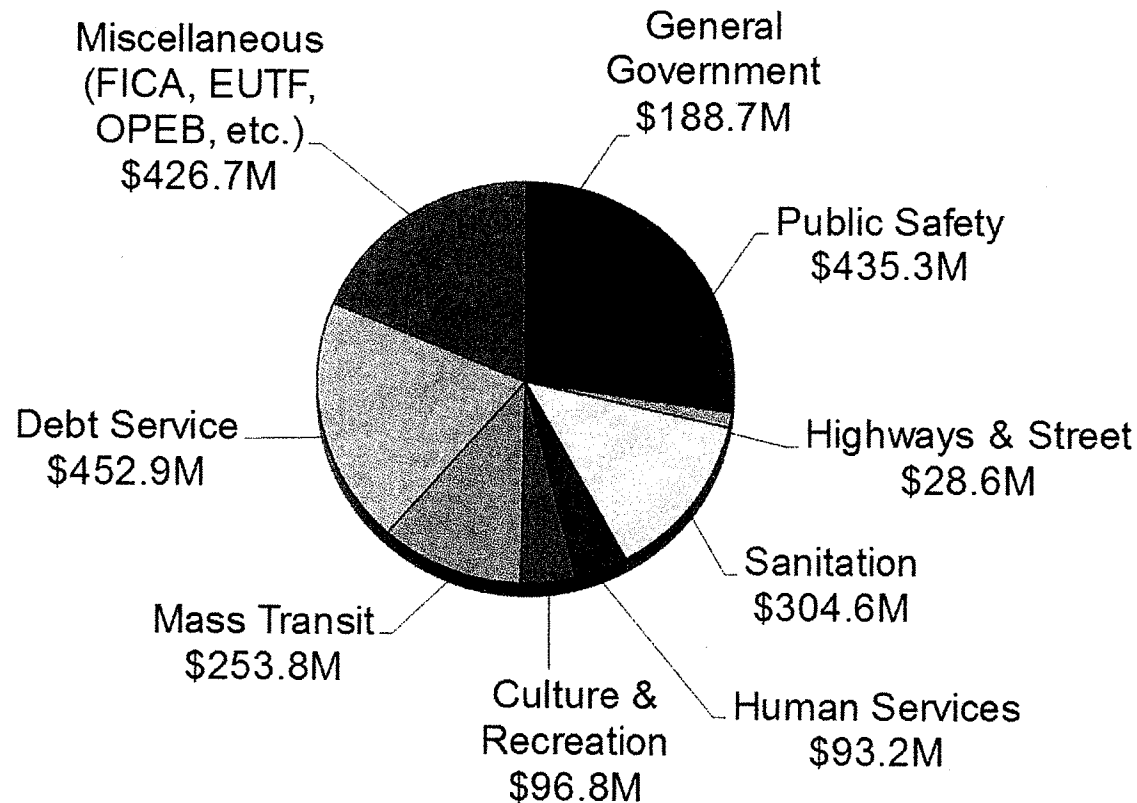
OPERATING AND CAPITAL IMPROVEMENT BUDGETS

- **Road Repaving:** \$110M in CIP for road repaving and \$5M in Operating for in-house repair and pavement preservation
- **Bus and HandiVan Service:** \$245.5M in operating and \$20M in CIP
- **Bus & Rail Integration & TOD:** \$5M in CIP for planning and equipment for a multimodal fare collection system, \$450K in operating and \$1.25M in CIP for planning and development of catalytic projects for TOD
- **Sewers/Global Consent Decree:** \$212 million in Capital Improvements
- **Parks:** \$72 million in operating, nearly 8% higher than FY2015; \$13.4M in CIP
- **Homelessness:** \$5.5 million in operating for Housing First to provide permanent supportive housing and services for 200 chronically homeless and to fund other homelessness initiatives; \$129,000 for staffing to manage the projects
- **Affordable Housing:** \$18M for the Affordable Housing Strategic Development Program
- **Energy Efficiency:** \$4M in CIP for photovoltaic units at HPower

Operating Budget Overview

Fiscal Year 2016 Operating Budget

\$2.281 Billion



Operating Budget Projects

- \$5.5M for Homeless Programs
- \$4.8M to expand Bus Service address service issues for the HandiVan and traffic mitigation measures
- \$2M for the Park's E Paka Kakou program
- \$1M to repair the HFD Helicopter
- \$874K to prepare for Zoo accreditation

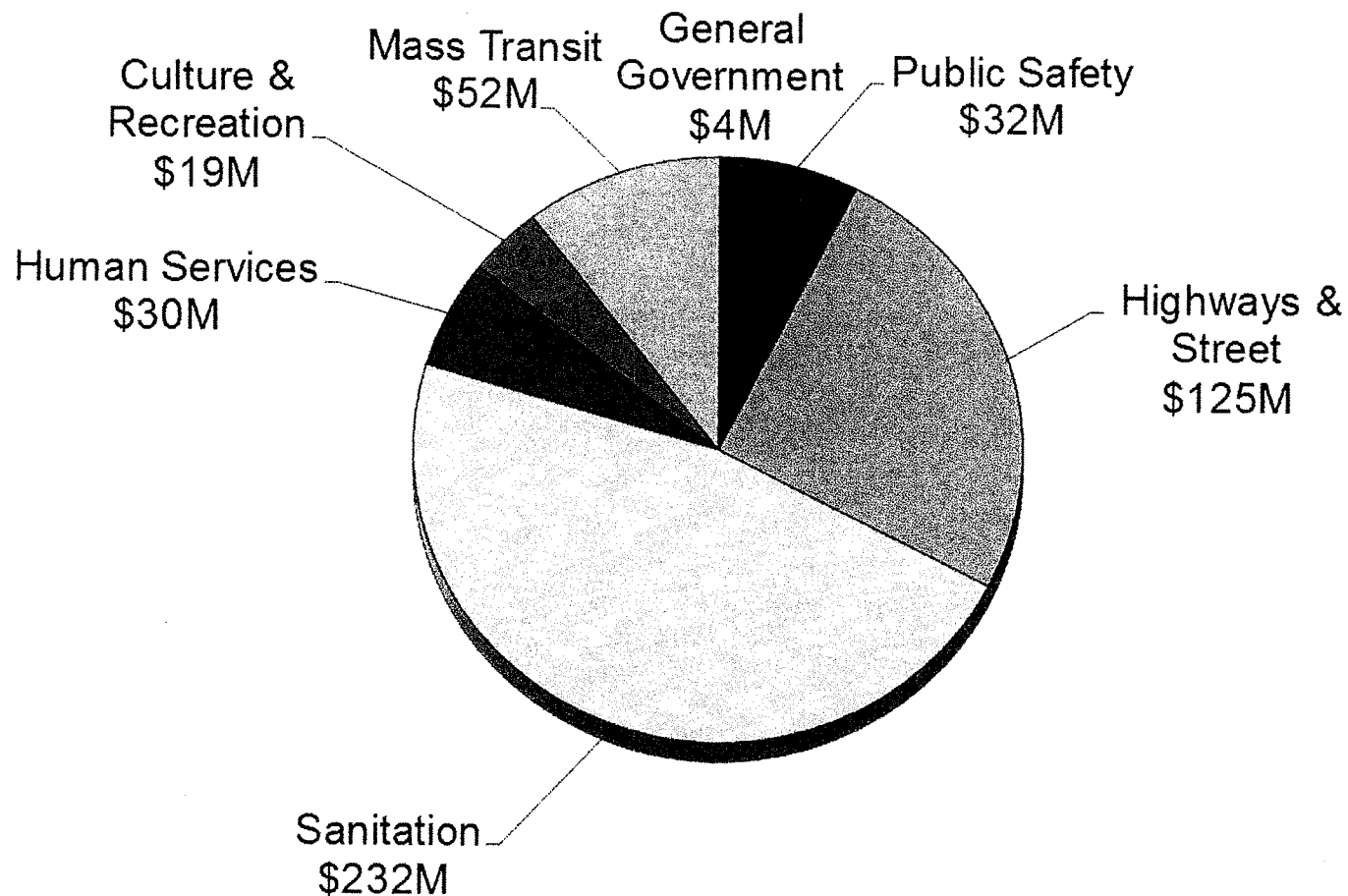
CIP Budget Overview

Focus

- Continue to Invest in Infrastructure
- Meet Health & Safety Needs
- Projects Mandated by State or Federal Law
- Investments to Maintain the City's Parks, Recreational & Cultural Facilities
- Continue to Invest in Bus Services
- Leverage Affordable Housing Funds
- TOD & Multimodal Integration with Rail

Fiscal Year 2016 CIP Budget

\$494 Million



CIP Projects

- \$110M for Road Repaving
- \$20M Upgrade to Radio Towers
- \$25M to complete JTMC
- \$20M Bus & HandiVan acquisition
- \$18M for development of low income housing
- \$13M for Parks improvements
- \$5M for a Multimodal Transit Fare Collection System

Thank You